

in § 486.302 (only covered organs will be paid for on a reasonable cost basis).

(b) Transplant center hospitals must separate costs for procuring organs that are sent to foreign transplant centers and organs transplanted in patients other than Medicare beneficiaries from Medicare allowable costs prior to final cost settlement by the Medicare fiscal intermediaries.

(c) Medicare costs are based on the ratio of the number of usable organs transplanted into Medicare beneficiaries to the total number of usable organs applied to reasonable costs.

§ 413.210 Conditions for payment under the end-stage renal disease (ESRD) prospective payment system.

Except as noted in § 413.174(f), items and services furnished on or after January 1, 2011, under section 1881(b)(14)(A) of the Act and as identified in § 413.217 of this part, are paid under the ESRD prospective payment system described in § 413.215 through § 413.235 of this part.

(a) *Qualifications for payment.* To qualify for payment, ESRD facilities must meet the conditions for coverage in part 494 of this chapter.

(b) *Payment for items and services.* CMS will not pay any entity or supplier other than the ESRD facility for covered items and services furnished to a Medicare beneficiary. The ESRD facility must furnish all covered items and services defined in § 413.217 of this part either directly or under arrangements.

[75 FR 49199, Aug. 12, 2010]

§ 413.215 Basis of payment.

(a) Except as otherwise provided under § 413.235 or § 413.174(f) of this part, effective January 1, 2011, ESRD facilities receive a predetermined per treatment payment amount described in § 413.230 of this part, for renal dialysis services, specified under section 1881(b)(14) of the Act and as defined in § 413.217 of this part, furnished to Medicare Part B fee-for-service beneficiaries.

(b) In addition to the per-treatment payment amount, as described in § 413.215(a) of this part, the ESRD facility may receive payment for bad debts

of Medicare beneficiaries as specified in § 413.178 of this part.

[75 FR 49200, Aug. 12, 2010]

§ 413.217 Items and services included in the ESRD prospective payment system.

The following items and services are included in the ESRD prospective payment system effective January 1, 2011:

(a) Renal dialysis services as defined in § 413.171; and

(b) Home dialysis services, support, and equipment as identified in § 410.52 of this chapter.

[75 FR 49200, Aug. 12, 2010]

§ 413.220 Methodology for calculating the per-treatment base rate under the ESRD prospective payment system effective January 1, 2011.

(a) *Data sources.* The methodology for determining the per treatment base rate under the ESRD prospective payment system utilized:

(1) Medicare data available to estimate the average cost and payments for renal dialysis services.

(2) ESRD facility cost report data capturing the average cost per treatment.

(3) The lowest per patient utilization calendar year as identified from Medicare claims is calendar year 2007.

(4) Wage index values used to adjust for geographic wage levels described in § 413.231 of this part.

(5) An adjustment factor to account for the most recent estimate of increases in the prices of an appropriate market basket of goods and services provided by ESRD facilities.

(b) *Determining the per treatment base rate for calendar year 2011.* Except as noted in § 413.174(f), the ESRD prospective payment system combines payments for the composite rate items and services as defined in § 413.171 of this part and the items and services that, prior to January 1, 2011, were separately billable items and services, as defined in § 413.171 of this part, into a single per treatment base rate developed from 2007 claims data. The steps to calculating the per-treatment base rate for 2011 are as follows:

(1) *Per patient utilization in CY 2007, 2008, or 2009.* CMS removes the effects of enrollment and price growth from